Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51

WORKSHOP RESPONSE OF QWEST COMMUNICATIONS INTERNATIONAL INC. TO INITIAL SET OF STAFF WORKSHOPS

In these comments, Qwest Communications International Inc. responds to the Commission's recent invitation to respond to the facts and reasoning asserted during the staff workshops held in the National Broadband Plan ("NBP") proceeding between August 6, 2009 and August 20, 2009 (hereafter "*Initial Staff Workshops*").[1]

I. INTRODUCTION AND SUMMARY

The *Initial Staff Workshops* covered a broad scope of issues potentially implicated by the Commission's work in developing a NBP. They also demonstrated that it will be essential that the Commission, in this proceeding, prioritize and focus first on practical solutions to the most urgent issues before it. Given the limited time and resources available, the Commission will only succeed if it resists the temptation to try and accomplish all conceivable objectives of the NBP with equal priority. Rather, the Commission should ensure, first and foremost, that the NBP accomplishes ubiquitous broadband deployment in the United States as soon as is realistically possible. Many of the other issues addressed in the *Initial Staff Workshops* are meritorious, but none are more critical than broadband deployment to unserved areas. Even if this is the only immediate objective achieved, the NBP would be a success.

And, when it comes to broadband deployment initiatives in unserved areas, the *Initial Staff Workshops* and the rest of the record in this proceeding also make clear that the

[1] Public Notice, DA 09-1992, rel. Sept. 1, 2009.

Commission should take a practical approach. Broadband deployment has not yet occurred in unserved areas because there are cost and other underlying economic inefficiencies that have prevented deployment to-date. Therefore, the NBP should call for significant amounts of new subsidy funding for unserved areas and target that funding so as to accomplish build-out of the best possible product for any given unserved area -- *i.e.*, one that strikes the best balance of economic and technological feasibility. Qwest has proposed that the Commission establish an initial minimum "qualifying broadband threshold" in the range of 7 to 10 Mbps with a defined level of performance indicators for determining whether a given broadband product would qualify for new subsidy funding. This standard should be implemented on a technology neutral basis. But, it is noteworthy that the *Initial Staff Workshops* demonstrated that, for many areas, wireline fiber-to-the-node ("FTTN") architecture could accomplish the threshold while striking the best balance of relevant economic and technological factors. On the other hand, the workshop record demonstrated that fiber-to-the-home ("FTTH") does not make economic sense for unserved areas and that the economics of wireless broadband deployment would likely be equivalent to FTTN while yielding a less robust broadband architecture.

II. DISCUSSION

A. It Is Essential That The Commission Prioritize.

The *Initial Staff Workshops* covered a broad scope of issues potentially implicated by the Commission's work in developing a NBP, including, to name just a few:

- opinions about how a NBP can ensure deployment in the United States of broadband capability on par with or exceeding that of the other leading nations of the world;[2]
- a variety of views -- often from parties that do not have the burdens and responsibilities associated with actually building and operating a broadband

[2] *See, generally,* http://www.broadband.gov/ws_int_lessons.html.

network -- about what models of broadband capability will provide the most robust broadband experience in the future, including various opinions about such issues as what applications will be desired by end users, what will be the right proportionality of downstream and upstream bandwidth capacity and other micro and macro broadband network engineering questions;[3]

- a lengthy list of proposed initiatives to promote broadband adoption in served areas;[4] and

- extensive facts and opinion regarding how a NBP could best accomplish broadband deployment to unserved areas.[5]

The magnitude and complexity of the host of issues raised demonstrates one thing more than anything -- it is essential that the Commission prioritize and focus first on practical solutions to the most urgent issues before it.

B. The Commission Should Focus, First And Foremost, On Accomplishing Broadband Deployment In Unserved Areas.

The Commission should ensure, first and foremost, that a NBP accomplishes broadband deployment to unserved areas of the United States as soon as is realistically possible. Many of the other issues addressed in the *Initial Staff Workshops* are meritorious and legitimately fall within the scope of the task to the Commission as defined in the Recovery Act. Accordingly, the Commission should, for example, also include a strategy in the NBP to address issues relating to

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[3] *See, e.g.,* testimony of Henning Schulzrinne, Columbia University, National Broadband Plan Workshop, Technology/Fixed Broadband, Aug. 13, 2009 *http://www.broadband.gov/docs/ws_05_tech_fixed_transcript.doc* at 42-43, 70-72.

[4] *See* National Broadband Plan Workshop, Programmatic Efforts to Increase Broadband, Adoption and Usage – What Works and What Doesn't?, Aug. 19, 2009: Kathryn Falk, Cox Communications, Internet trial program at 8; Laurie Itkin, Cricket Communications, Inc./Leap Wireless, Inc. Broadband program at 22-23 and its proposal in BTOP application to charge a token subscription fee that increases over two years to full price at 24; Mark Malaspina, Computers for Youth, voucher or other program that was not labor intensive at 64; Ms. Murphy, One Economy, building on the e-rate program at 71-72; Ms. Itkin, Cricket/Leap, expanding the Lifeline Program to include broadband service at 77-78.

[5] *See, generally,* http://www.broadband.gov/ws_deployment_wired.html; http://www.broadband.gov/ws_deployment_wireless.html.

the need to accomplish more ubiquitous broadband adoption in served areas. However, no issue is more critical than accomplishing broadband deployment to unserved areas. And, the potential hurdles to that goal are formidable enough that it will take an immediate single-mindedness of purpose to achieve that goal. Once the United States has a basic level of broadband deployment to all its citizens, the Commission can then focus on accomplishing greater broadband adoption and other tasks encompassed by the Recovery Act's charge. Again, these other goals are worthy and should be addressed in some manner in the NBP. But, the reality is that, given the limited time and resources available, the Commission will only succeed if it resists the temptation to try and accomplish all conceivable objectives of the NBP with equal priority. Rather, the Commission should adopt a strategy in the NBP that focuses the majority of resources first upon the goal of ubiquitous broadband deployment. Even if this were the only objective immediately achieved by the NBP, it would constitute a tremendous success.

C. The Unserved Deployment Component Of The NBP Should Center On Subsidy Funding Targeted To Broadband Capability That Best Balances Economic And Technological Factors.

When it comes to broadband deployment initiatives in unserved areas, the *Initial Staff Workshops* and the rest of the record in this proceeding also make clear that the Commission should take a practical approach. The centerpiece of the unserved deployment component of a NBP should be a significant subsidy funding initiative targeted to a broadband capability that best balances the relevant economic and technological factors at issue.

The record established in the *Initial Staff Workshops* made clear that broadband deployment has not yet occurred in currently unserved areas because there are cost and other

underlying economic inefficiencies in such areas that have prevented deployment to-date.[6]

There also appeared to be universal recognition that, in order to accomplish broadband deployment to unserved areas, the Commission will need to create one or more subsidy programs and commit considerable financial resources to those programs in order to defray the excessive costs that currently prevent network operators from reaching unserved areas. Every country in the world that has set out to accomplish this goal has done so, in part, through large subsidy programs and the United States will have to as well.[7]

Any broadband deployment subsidies must, in turn, be targeted so as to accomplish build-out of the best possible product for a given unserved area -- *i.e.*, one that strikes the best balance of economic and technological feasibility.[8] Along these lines, Qwest has proposed that the Commission establish an initial minimum "qualifying broadband threshold" that would have

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[6] *See, e.g.,* testimony of Dallas S. Clemont, Cox Communications in Aug. 12, 2009 Wired Deployment workshop, http://www.broadband.gov/docs/ws_02_deploy_wired_transcript.doc at 33 (discussing economics around broadband deployment to a smaller customer base); testimony of Anthony J. "Tony" DiMaso, Verizon, *id.* at 42 (same).

[7] *See, e.g.,* "International Lessons For Broadband Policy," Presentation at the Aug. 18, 2009 FCC Broadband Policy workshop, Dr. Robert Atkinson, President Information Technology and Innovation Foundation, at 13 (documenting that Sweden has invested $820 million to support deployment to areas with no broadband (on a per-GDP basis, equivalent to $30 billion in the U.S.), 70% in grants and 30% in tax credits, with 65% of the projects going to incumbent TeliaSonera; that Korea has funded backbone and rural deployment in an amount, on a per-GDP basis, equivalent to $4 billion per year for 10 years in the U.S.; and that Japan has funded 1/3 of the costs of fiber networks in unserved rural communities.) http://www.broadband.gov/docs/ws_int_lessons/ws_int_lessons_atkinson.pdf.

[8] *See, e.g.,* George S. Ford, PhD, Chief Economist for the Phoenix Center for Advanced Legal & Economic Public Policy Studies who put it succinctly in his testimony -- stating that the Commission's task in accomplishing broadband deployment to unserved areas was, in essence, simply to find the cheapest provider of the level of broadband capability you seek to deploy and subsidize them and only them. *See* http://www.broadband.gov/docs/ws_04_deploy_un_transcript.doc at 30-32.

to be met by any broadband product seeking subsidy funding.[9] Qwest has proposed that this standard be set in the range of 7 to 10 Mbps with a defined level of performance indicator thresholds around jitter, latency and packet loss.[10] This standard should be implemented on a technology neutral basis.[11] But, the *Initial Staff Workshops* demonstrated that, for many areas, wireline FTTN architecture could accomplish this threshold while striking the best balance of relevant economic and technological factors.[12] The record also demonstrated that, whatever the merits of a FTTH broadband model, the economics simply do not support subsidy funding for that model for deployment in unserved areas.[13] And, the economics of wireless broadband deployment to many unserved areas would likely be equivalent or nearly equivalent while yielding a less robust broadband product in the end.[14] By way of example, certain wireless broadband representatives spoke of the need to fund fiber facilities as an essential input to

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[9] *See* Comments-NBP Public Notice #1 of Qwest Communications International Inc., GN Docket Nos. 09-47, 09-51 and 09-137, filed Aug. 31, 2009 at 7.

[10] *Id.*

[11] *Id.*

[12] *See, e.g.,* testimony of Marcus Weldon, Alcatel-Lucent representative in Aug. 12, 2009 Wired Deployment workshop, http://www.broadband.gov/docs/ws_02_deploy_wired_transcript.doc at 65-66 (discussing relative merits of FTTN architecture).

[13] *See* testimony of Craig E. Moffett, U.S. Telecommunications, Sanford Bernstein, in Aug. 12, 2009 Wired Deployment Workshop, *id.* at 56-57 (estimating $4,000 per connected home cost for FTTH architecture).

[14] *See* testimony from Richard Keith, Motorola, in Aug. 13, 2009 Wireless Technology workshop, http://www.broadband.gov/docs/ws_06_tech_wireless_transcript.doc at 101 (discussing wireless broadband business model that could accomplish 1 mps downstream speed); testimony by Tom Anderson, Alcatel-Lucent representative on same panel, *id.* at 26 (discussing capabilities of wireless technology); testimony of Craig E. Moffett, U.S. Telecommunications, Sanford Bernstein, in Aug. 12, 2009 Wired Deployment workshop, http://www.broadband.gov/docs/ws_02_deploy_wired_transcript.doc at 28 (discussing economic inefficiencies of wireless model and fact that wired will continue to be the broadband workhorse).

wireless broadband deployment in currently unserved areas.[15] But, the reality is that virtually the same investment would accomplish build-out of wireline FTTN, a broadband model that is likely to continue to be more robust even as wireless broadband technology evolves.

Respectfully submitted,

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[15] *See, e.g.,* Clearwire representative from Aug. 13, 2009 Wireless Technology workshop, http://www.broadband.gov/docs/ws_06_tech_wireless_transcript.doc at 60-61 (proposing "fiber to every village").

CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **WORKSHOP RESPONSE OF QWEST COMMUNICATIONS INTERNATIONAL INC. TO INITIAL SET OF STAFF WORKSHOPS** to be: 1) filed via ECFS with the Office of the Secretary of the FCC in GN Docket No. 09-51; 2) served via e-mail on Gary Remondino, Competition Policy Division, Wireline Competition Bureau at gary.remondino@fcc.gov; and 3) served via e-mail on the FCC's duplicating contractor Best Copy and Printing, Inc. at fcc@bcpiweb.com.

/s/ Richard Grozier
Richard Grozier

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